



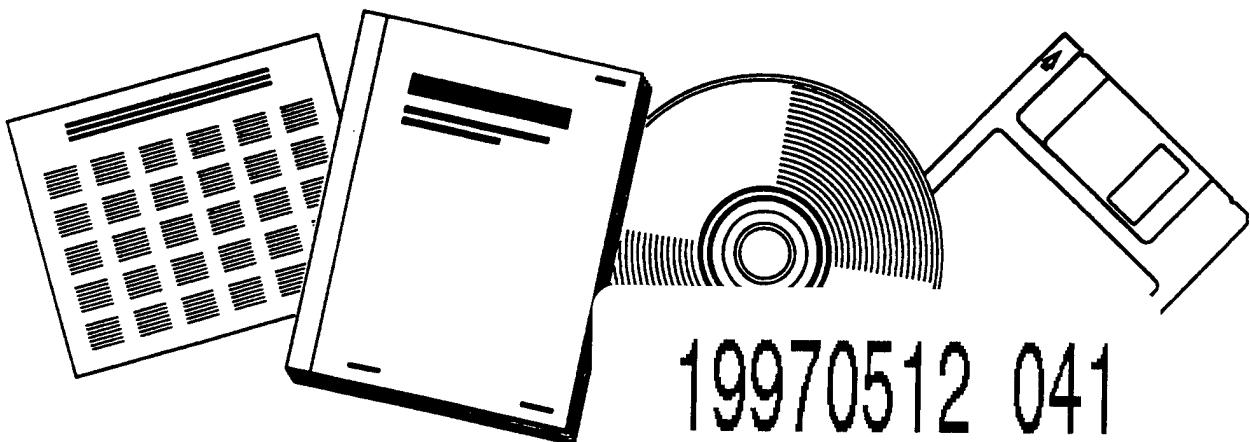
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CIVILIAN PERSONNEL: EMPLOYMENT LEVELS, SEPARATIONS, TRANSITION PROGRAMS AND DOWNSIZING STRATEGY ANNEX K TO ADJUSTING TO THE DRAWDOWN REPORT OF THE DEFENSE CONVERSION COMMISSION

DEFENSE CONVERSION COMMISSION
WASHINGTON, DC

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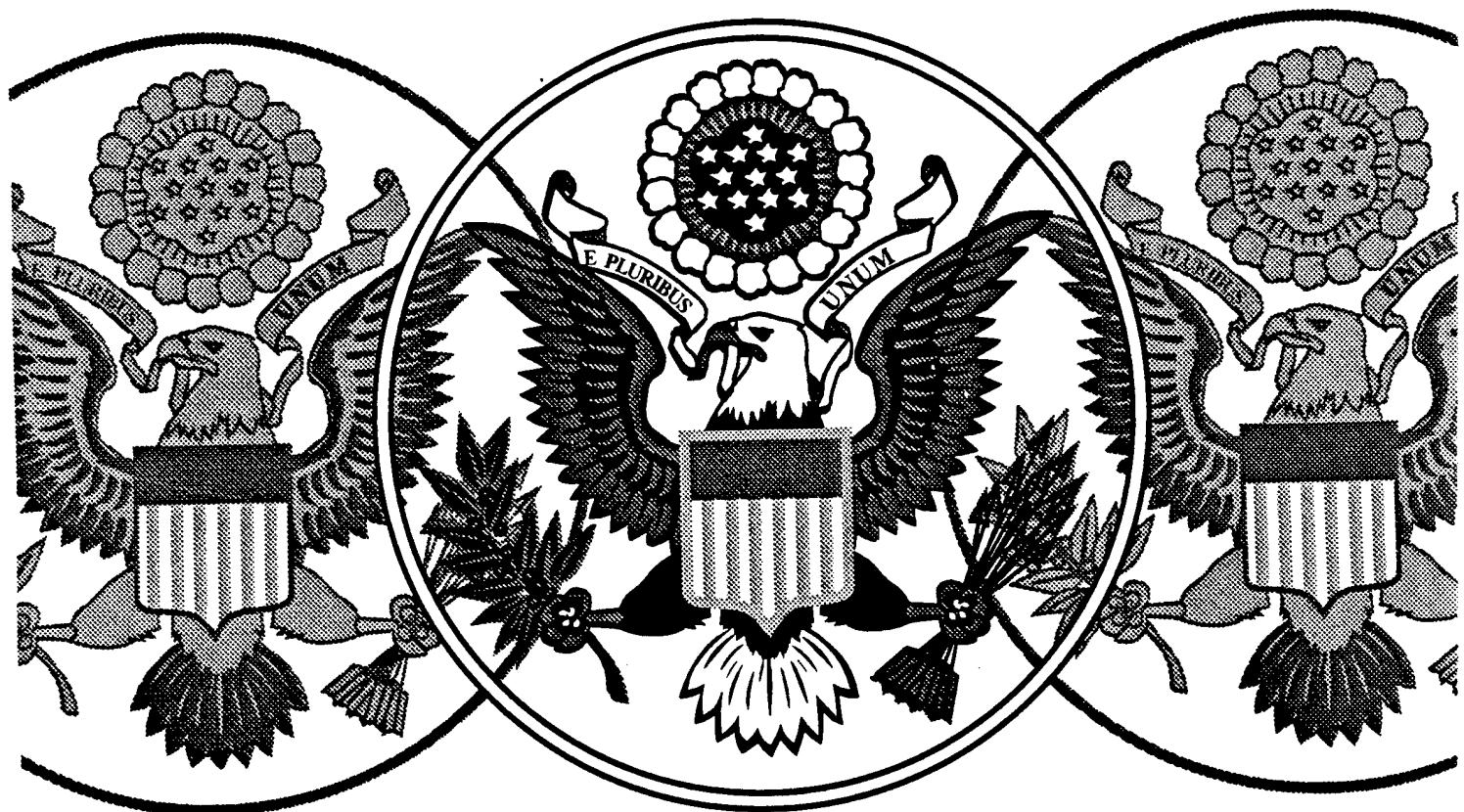
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Annex K to
Adjusting to the Drawdown

Report of the
Defense Conversion Commission

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Abstract: The Department of Defense employs about one million civilian employees in various occupations, including clerks, blue-collar workers, engineers, analysts, executives, and technicians. The reduction in defense-related jobs has caused painful disruptions in the lives of thousands of these employees. The best long-term solution to these disruptions will be the increase in new jobs that will come with economic recovery. However, some constructive short-term measures are available in the meantime. The Annex discusses the impact of the drawdown on civilian workers and the programs available to assist them.

Civilian Personnel: Employment Levels, Separations, Transition Programs and Downsizing Strategy

Annex K to
Adjusting to the Drawdown

Report of the
Defense Conversion Commission

February 1993

Prepared by: Sherry D. Holliman

This paper was prepared as input to the Defense Conversion Commission in preparation of its December 1992 Report, *Adjusting to the Drawdown*. This paper does not necessarily reflect the findings, conclusions, or recommendations of the Defense Conversion Commission, the Department of Defense, or any Federal department or agency, nor does the Commission necessarily endorse the views expressed herein.

CIVILIAN PERSONNEL: EMPLOYMENT LEVELS, SEPARATIONS, TRANSITION PROGRAMS, AND DOWNSIZING STRATEGY

The Department of Defense employs about one million civilian employees in various occupations, including clerks, blue-collar workers, engineers, analysts, executives, and technicians. The reduction in defense-related jobs has caused painful disruptions in the lives of thousands of these employees. As suggested in *Adjusting to the Drawdown, Report of the Defense Conversion Commission*, the best long-term solution to these disruptions will be the increase in new jobs that will come with economic recovery. However, some constructive short-term measures are available in the meantime. This Annex discusses the impact of the drawdown on civilian workers and the programs available to assist them.

Employment Levels (1987 - 1997)

Civilian strength reductions are reported in Table 4 of Annex A, *The DoD Drawdown: Planned Spending and Employment Cuts* (Logistics Management Institute Report DC201R1). However, a short discussion of civilian personnel employment levels is provided here to lend perspective to the remainder of this annex.

In 1987, when the drawdown began, civilian personnel employment within the Department of Defense totalled 1,133,000. By the end of 1997, that number is expected to be reduced by 20 percent -- a loss of 229,000 positions over the ten year period. While about 55 percent of the reductions occurred by the end of 1992, DoD must still eliminate close to 102,000 positions in the 5 year period from 1993 through 1997. Employment levels for 1991-1997 are shown in Table K-1.

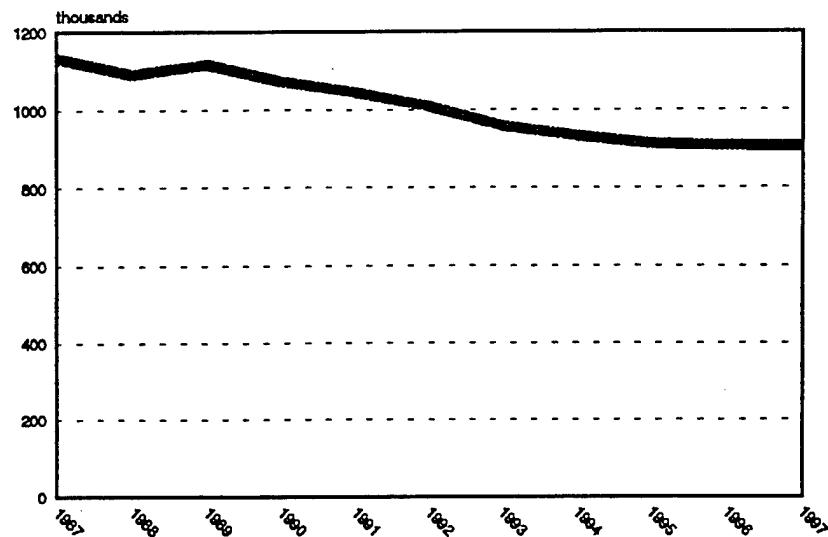
In the course of the drawdown, civilian personnel employment levels have decreased in all years except 1989, when they increased by 27,000 (see Figure K-1). As a result, in January 1990 a DoD-wide freeze on employment was imposed. The freeze, recently extended through September 1993, authorizes two hires from outside DoD for every five separations from DoD rolls. Various exceptions to the freeze are permitted.

Table K-1. DoD Civilian Employment Levels 1991-1997¹

ARMY	1991	1992	1993	1994	1995	1996	1997
Direct							
--US	302,767	282,587	266,938	263,524	261,026	260,717	260,700
--Foreign national	14,292	12,067	12,444	12,084	12,080	11,879	11,879
Indirect	48,405	39,002	30,047	27,186	25,735	23,284	22,065
Total	365,464	333,640	309,429	302,794	298,841	295,880	294,644
NAVY/MC							
Direct							
--US	305,365	293,274	269,225	260,738	247,198	244,328	245,385
--Foreign national	13,418	5,640	3,642	4,037	4,896	5,267	5,561
Indirect	10,171	10,094	10,339	10,323	10,321	10,321	10,319
Total	328,954	309,008	283,206	275,098	262,415	259,916	261,265
AIR FORCE							
Direct							
--US	216,945	202,539	200,879	193,467	191,711	191,176	190,831
--Foreign national	5,544	3,218	3,896	3,909	3,911	4,108	4,090
Indirect	10,172	8,652	9,095	8,464	7,854	7,841	7,846
Total	232,661	214,409	213,870	205,840	203,476	203,125	202,767
DEFENSE AGENCIES							
Direct							
--US	115,292	144,351	146,316	144,542	142,992	142,034	141,000
--Foreign national	781	1,696	1,430	1,413	1,374	1,371	1,360
Indirect	1,383	2,950	3,454	3,396	3,309	3,309	3,309
Total	117,456	148,997	151,200	149,351	147,675	146,714	145,669
Grand Total	1,044,535	1,006,054	957,705	933,083	912,407	905,635	904,345

Source: FY 93 Amended President's Budget and OSD Comptroller

Figure K-1.
DoD Civilian Employment Levels, 1987-1997



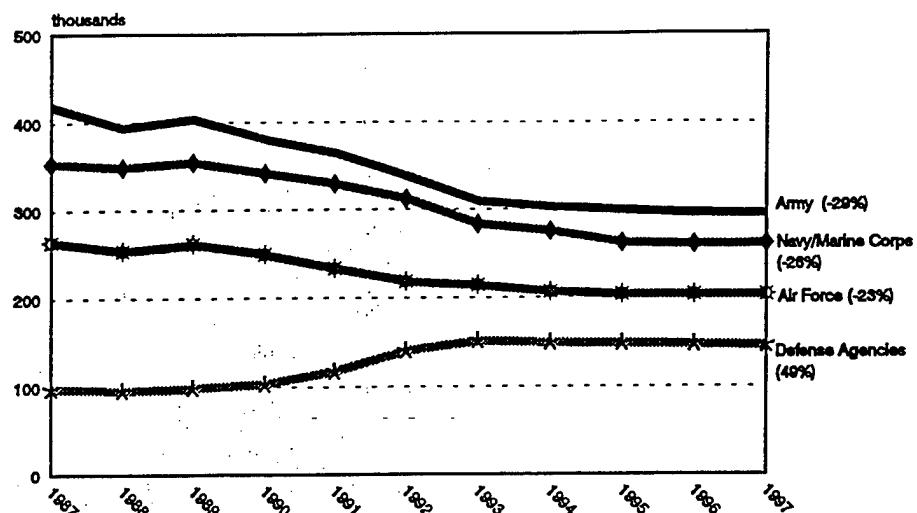
Source: OSD (Comptroller) and FY 93 Amended President's Budget

Within the military services, the Navy plans to eliminate 92,000 positions (26% of 1987 strength) and the Air Force plans to reduce by 61,000 positions (23%). The Army plans to eliminate 123,000 positions, or 29%, between 1987 and 1997. To cope with these reductions, the Army has implemented its own internal hiring freeze, which is more restrictive than the DoD-wide freeze. Within the Army, only one hire from the outside is permitted for every four losses to DoD, and exceptions to the freeze are limited. Senior Army officials state that the freeze is proving effective in meeting reductions. Figure K-2 depicts employment levels within DoD agencies and each of the military services from 1987 through 1997.

In contrast to the military services, the Defense Agencies as a whole will experience a net increase of 48,000 in civilian strength levels from 1987 to 1997. These increases are occurring as a result of consolidations and the transfer of some functions from the military services to the Defense Agencies. For example, the Armed Services are transferring some procurement and logistical functions to the Defense Logistics Agency and some information resource management functions to the Defense Information Systems Agency.

Figure K-2.

Civilian Employment Levels in the Military Services and Defense Agencies, 1987-1997



Source: OSD (Comptroller) and FY 93 Amended President's Budget

The number of foreign national employees is expected to be reduced significantly by 1997. In 1987, these employees numbered about 124,000. By the end of 1997, plans call for eliminating almost 58,000 foreign national positions, or 47%. While specific projected employment levels for U.S. citizens stationed abroad were not available, Annex A to the main report estimates that about 20,000 civilian positions will be eliminated overseas between 1987 and 1997.

Although nonappropriated fund (NAF) positions do not count against projected employment levels, they will also be affected by the drawdown. NAF positions are primarily found at base facilities such as exchanges, clubs, craft shops, and child development centers. They are funded by revenue generated by these NAF activities. Almost 10,000 positions are planned to be eliminated in the continental United States (CONUS), and over 5,000 U.S. citizens are estimated to be affected overseas from 1993 through 1995.

Civilian Separations

Civilian separations in the 1980's averaged between 90,000 and 100,000 per year.² In recent years, the separation rate has been decreasing, from 9.5% (93,022 separations) in 1989 to 9.1% (88,239 separations) in 1991. DoD program managers unofficially estimate that separations in the next five years will average about 85,000 per year.

When normal attrition falls, it becomes more difficult to achieve necessary reductions through voluntary means. Because of the expected decrease in civilian voluntary separations, DoD and the Congressional Budget Office estimate that DoD will have to layoff, or terminate by a reduction-in-force (RIF), approximately 25,000 civilians from 1993 through 1997. This figure represents about 6% of all civilian separations.

The number of civilian employees terminated by RIF has increased each fiscal year since 1985, except in 1989, when employment levels rose. A major jump in RIF activity occurred in 1991, when RIFs increased six-fold over 1990 levels.

Downsizing Strategies

In achieving reductions thus far, DoD has relied primarily on voluntary attrition and a partial hiring freeze. RIFs may be used to involuntarily separate excess personnel, based on specific rules establishing retention rights of employees. DoD prefers to avoid RIFs because of their adverse effect on morale and work effectiveness. In recent years, DoD attempted to encourage voluntary separations by offering early retirement, with a commensurate reduction in retirement payments. However, these incentives did not result in a significant number of early-out retirements. As few as 5 per cent of eligible employees accepted early out retirements. According to the Office of Personnel Management, about 17 per cent of eligible employees normally take them.

The Federal Government has a number of programs available to assist civilian workers displaced as a result of the drawdown. These programs are described later in this Annex, under Transition Assistance, and in Annex G, the *Compendium of Transition Assistance Programs*. Many of these programs have been in place for several years, and are now being supplemented by new initiatives contained in the 1993 National Defense Authorization and Appropriations Act.

The 1993 National Defense Authorization Act authorized the Secretary of Defense to offer financial incentives to civilians who voluntarily retire or resign. Eligible employees who are offered the incentive will receive the lesser amount of either \$25,000 or the amount to which the employee would be entitled if he or she were receiving severance pay. The effect of this authority is unclear as implementation plans are still under discussion. Of the civilians currently employed with DoD, close to 130,000 are or will meet eligibility requirements for early-out retirement between June 1992 and June 1993. However, financial separation incentives will reportedly be offered to only a small number of those eligible, in an attempt to balance costs with downsizing goals. Similar financial incentives have been offered by other Federal agencies in recent years, including the U.S. Postal Service, the Department of the Treasury (Office of Thrift Supervision), the Department of Agriculture (Cooperative Extension Service), and the Tennessee Valley Authority.

Civilian separation incentives are less generous in terms of monetary benefits than military separation incentives. Comparison of similarly-situated military and civilian workers receiving separation pay shows that the military separatee receives considerably more compensation (See Table K-2). This difference may be warranted -- many military members have spent a number of years gaining and honing skills that are unique to the military and less transferable to private sector employment. Some would also argue that we owe a particular debt to those who bear the risk associated with military service. Further, the military services faced the potential for more severe reductions in force than the civilian workforce.

Monetary separation incentives may help reduce the need for RIFs, depending on the extent to which they are offered, by encouraging more retirements and resignations. Further, the targeted use of such incentives could help to shape the civilian workforce by encouraging separations among mid- and senior-level employees.

Table K-2.
Comparison of Military and Civilian Separation Pay

Rank/Grade	Years of Service	Total Annual Pay	Involuntary Separation Pay	Voluntary incentives Separation Options	
				SSB	VSI
Military Ofcr Rank 0-3	10	\$45,493	\$36,090	\$54,135	PV: \$102,275
Civilian GS-12 Age 43	10	\$45,336	\$11,296		\$11,296
Civilian GS-12 Age 40	10	\$45,336	\$ 8,689		\$ 8,689

Notes:

1. Civilian pay is taken from the General Schedule salary rate at selected steps for FY 92. Military pay includes base pay and quarters allowance, and also includes subsistence allowances for officers for FY 92. SSB and VSI separation amounts are calculated based on base pay; however, for comparison purposes, this chart tries to approximate total pay for the above examples.
2. SSB payments for military personnel are paid out in one lump sum. VSI payments for military personnel are paid annually for twice the number of years of service.
3. The VSI amount shown represents the present value of the total of annual payments (\$9,023) times the number of years in which payments would be made (20). In this chart, present value of 7% is an arbitrary estimate of the individual's investment alternative.
4. Civilian employees are not eligible for SSB or VSI. The Secretary of Defense may offer monetary separation incentives to civilians who voluntarily retire or resign. Eligible employees who are offered the incentive will receive the lesser amount of either \$25,000 or the amount they would receive under severance pay formula. The civilians in this example would receive the amount computed under severance pay formula.

Source: GAO Testimony, DoD Management of Civilian Force Reductions, GAO/T-NSIAD-92-10.

WORKFORCE SHAPING

In managing the military drawdown, DoD is attempting to balance accessions--new hires--and separations in such a way that the resulting workforce will be "shaped" in terms of skills, years of service, and rank. Without this strategy, the military would be faced with skill imbalances, reduced career promotion opportunities, and an aging and more expensive workforce. DoD's centralized approach to military personnel management helps achieve this goal.

DoD's civilian drawdown efforts, in contrast, are primarily controlled at local levels through the intake of personnel. Each activity determines which positions it will abolish to meet required reductions and which vacant positions it will fill. When an occupied position is abolished, RIF procedures determine if the employee has the right to move into a position occupied by someone else with lower retention standing, or if the employee will lose his or her job.

Because of the effects of hiring restrictions and RIFs, some senior DoD and Department of the Army officials have expressed concern over the potential for skill imbalances and a disproportionate impact on minorities and women. In testimony before Congress, GAO officials have expressed the same concerns. In his testimony before the House Subcommittee on Readiness, Committee on Armed Services on March 18, 1992, Mr. Paul Jones (Director, Defense Force Management Issues) stated that:

"Last weekend we moderated a large group discussion attended by supervisory personnel from a variety of DoD and military service activities around the country. A clear consensus emerged among those present that many of their activities are being adversely affected by skill imbalances from hiring freezes and other force reduction actions....Concerns...were voiced about the aging of the work force and its long-term impact and about what is perceived to be a lack of attention to identifying and maintaining a balanced, basic level of skills for in-house capabilities as part of the Defense industrial base. All of this translated into concerns about an emerging 'hollow force' among civilian personnel."

RIFs have the potential for contributing to skill imbalances and workforce profile inequities for a number of reasons.

First, there are generally three displacements for every RIF notice issued. In other words, for each abolished position, there generally ensues a domino effect, further shuffling personnel into new positions. Thus, even though the number of people estimated to be RIF'd is an average of 5,000 per year (or .5% of the workforce), the number of displacements may be three times larger. As a result of these displacements, employees may find themselves in jobs for which they technically may qualify, but for which they lack up-to-date skills. Some employees reassigned to vacant positions may have minimal background for the position, even if they are judged to have the "capacity, adaptability and special skills needed" for it. Such skill imbalances create problems for both organization and employee.

Second, because there is no control over who leaves, an activity may find itself with key positions vacant. In a freeze, the organization may be forced to leave the position vacant, abolish it, or fill it from within with an excess candidate who may not be as qualified as desired.

Third, RIFs have the potential for disproportionately affecting minorities and women, who have only in recent years made inroads into professional and higher graded jobs, and younger persons, who have fewer years of service.

Because of the relatively small percentage of employees being impacted by RIF, DoD might not experience these potential consequences. The degree, if any, to which such potential problems may occur remains to be seen.

GAO will be addressing some of these issues in reports expected to be issued in early 1993. The Congressional Budget Office, in a study of the costs and potential problems of alternative strategies for downsizing, may also touch on the issue of skill imbalances. Their report is expected to be issued in early 1993.

TRANSITION ASSISTANCE

GENERAL

DoD has implemented several transition initiatives to reduce the impact of the drawdown on the civilian workforce. Outplacement subsidies of up to \$20,000 for permanent change of station costs will be paid to domestic agencies that hire a DoD employee who would otherwise be separated. DoD was granted authority to waive, on a case-by-case basis, the dual compensation offset for retirement payments, to fill critical positions at closing bases. Another initiative allows separated employees to be carried on annual leave past their separation date if doing so would allow them to reach retirement eligibility. Other initiatives involved the early release of Job Training Partnership Act funds for retraining employees likely to be affected by reduction in force, and relaxed early retirement rules authorizing DoD to offer early retirement at non-downsizing bases to provide placement opportunities for those being separated at downsizing bases.

DoD, DoL, and OPM have a number of programs and initiatives designed to assist displaced workers by retraining them, helping them find new employment, and providing them with pay and/or extended benefits which will assist in making the transition to a new job. Transition assistance programs for separating civilian personnel, including the full range of services offered by the Department of Labor, are described fully in Annex G, the *Compendium of Transition Assistance Programs*.

Prior to a RIF, DoD civilian employees must receive at least 60 days notice, and may receive 120 days notice in certain circumstances. Those at announced base closure sites have even more advance notice. Severance pay is provided to eligible RIF'd employees based on salary, years of service, and age. Health benefits, at no increased cost, will soon be extended up to 18 months after RIF, and Thrift Savings Plan policies will be more flexible for displaced workers.

Displaced DoD civilian employees located overseas face additional transition challenges. While some employees have reemployment rights back to positions at DoD activities in the United States and/or are eligible for registration in the Priority Placement Program, others will be separated without such benefits. Like their military counterparts, civilians employed abroad who are separated often face a more difficult transition than those located in the United States since they are geographically distant from their potential job markets. To alleviate special difficulties, in July 1992 DoD authorized military employees separating overseas the voluntary use of up to 30 days of permissive temporary duty for job and house-hunting. The special circumstances and needs of its civilian employees overseas may be a consideration in future DoD civilian personnel policy decisions.

Although the drawdown affects nonappropriated fund (NAF) employees, its impact on them is not as severe, for a number of reasons. The skills of NAF employees are more transferrable to the private sector, especially for those who work in some type of retail or food service capacity, where private sector employment is expected to increase 5.1 million between 1990 and 2005 (about 22% of total job growth in the United States). In addition, the NAF workforce has a large number of temporary employees, making fluctuations in its size easier to handle. Although displaced NAF employees are not eligible for placement into the Priority Placement Program, they are eligible under certain circumstances for reemployment into NAF jobs and for monetary separation incentives. Further, the Director, DoD NAF Personnel Policy Office anticipates that displaced NAF employees will be allowed to register into the Defense Outplacement Referral System (DORS) by Spring 1993.

Displaced DoD civilians, as well as other displaced workers, are eligible for job retraining under the Job Training Partnership Act. However, the question often arises, "training for what?" Job creation may not keep up with the need to place dislocated workers, and jobs may not be available for placement of retrained workers. Skills conversion studies, which identify industries with potential for new job creation and which suggest training programs to convert the skills of laidoff workers, may be

one means of ensuring the retraining process is tied to available jobs.

Skill conversion studies were used in the early 1970's, when the employment picture for engineers was particularly poor. At that time, total engineering employment was about 1.2 million, compared to 1.8 million in the early 1990's. Defense aircraft, space, and commercial aircraft industries had all downsized significantly at the same time, and the economy was more defense dependent than is currently the case. The Department of Labor allocated \$42 million to expand the Technology Mobilization and Reemployment Program (TMRP), which provided funds for job development, job search travel, relocation, and training for specific, existing jobs. Of the \$42 million allocated for the program, \$2 million was targeted for skill conversion studies. A GAO report issued subsequent to the program's termination in 1973 identified some problems with the program but also stated that the skill conversion study was especially productive. It is the Commission's understanding that DoL is currently looking into the use of skill conversion programs.

PRIORITY PLACEMENT PROGRAM

The primary tool to assist in placing surplus civilian personnel is the DoD Priority Placement Program (PPP). Established in 1965, the PPP is an automated worldwide referral program which tries to assure continued employment for DoD civilian employees affected by reduction in force. The skills of employees who are scheduled to be separated or downgraded because of RIF are matched with vacant positions at DoD activities where the employee has indicated a willingness to work and is eligible to register. This program differs from most other available placement assistance programs in that, normally, PPP registrants whose qualifications match job requirements *must* be given a job offer. Enhancements recently made to the program include early registration, employee job swaps, more time for employees to accept a job offer, and larger geographic registration areas.

Currently, the PPP has about 7,500 registrants, of which 5,500 are Priority 1 registrants (i.e., those who have no job offer and are scheduled to be separated). This number has decreased from the high of 9,500 registrants in September 1991; the average in previous years was around 4,000. The number of individuals who can be placed through the program varies, depending on the vacancies being filled -- the more vacancies that are available to fill, the more likely that a placement may be made. Thus, in times of drawdown, when hiring is reduced and the number of surplus employees increases, placement assistance becomes more problematic.

Statistics show that PPP effectiveness in placing surplus employees varies from year to year. From 1989 through 1992, between 24% and 66% of Priority 1 candidates received job offers or were placed in other positions.

Although the program has been effective in making placements and job offers, it is clear from other statistics that placements are becoming more difficult. For example, in 1990, the percentage of available Priority 1 registrants whose registration expired with no action (i.e., no job offer) was 3.9%. This figure increased to 5.1% in 1991. In 1992, the percentage jumped dramatically to 17.8%. Figure K-3 provides PPP data from 1989 through 1992. Senior program officials state that constraints in funding have not permitted enhancements to automated support and thus, the program is not operating as efficiently as it could with the enhancements.

Figure K-3.

Priority Placement Program Statistics for Priority 1 Registrants, 1989-1992

	Available Registrants - P1 ¹	Placements - P1	Declined Job - P1	Percentage of registrants placed or offered jobs
1989	1704	1003	119	66%
1990	6535	1435	115	24%
1991	10019	4052	291	43%
1992	13791	4457	362	35%

¹ Includes carry over registrants from previous year

Source: DoD Civilian Personnel Systems Center, Dayton, Ohio

DoD REEMPLOYMENT PRIORITY LIST

DoD utilizes Reemployment Priority Lists (RPL) which provide career and career-conditional employees who have received a specific reduction-in-force notice, or who have been separated, priority over outside applicants. This program is maintained locally on a commuting area basis; DoD agencies are expected to coordinate within their commuting areas to ensure all DoD separated employees are placed on one consolidated RPL for that area.

Because these lists are maintained locally, it is difficult to judge effectiveness of the program for DoD as a whole.

OTHER DOD ASSISTANCE PROGRAMS

Like the military, civilian employees may use the Transition Bulletin Board (TBB) and the Defense Outplacement Referral System (DORS), both of which were implemented in late 1991. The TBB is an automated data base containing listings of jobs throughout the country. Currently, there are close to 1,300 job listings in the database. In addition to job listings, the TBB contains information concerning job fairs, workshops, technical schools, professional association meetings, business opportunities, and other announcements pertinent to DoD transition. The DORS is an automated system that refers DoD employees and their spouses to other Federal agencies, the private sector, and state and local governments. Job seekers fill out "mini-resumes", which are referred automatically to employers who request them. A recent initiative expanded DORS registration to permit all DoD civilians and spouses to register, not just those at closing bases.

The TBB currently does not maintain statistics of placements made as a result of the system; making it difficult to judge its effectiveness. Program officials state that some statistics will be obtained in early 1993 which will indicate the number of placements made. Further, new instructions will advise applicants to tell potential employers that they learned of the job through the TBB. Without such a statement, a company is unlikely to know which applications were generated as a result of the TBB. This revision should enhance any future tracking efforts.

The effectiveness of the DORS program, in terms of referral activity to the private sector, appears good. Currently, there are about 20,000 resumes in the data base. (Over 56,000 individuals have listed resumes over the life of the program.) A total of 118,457 resumes for more than 34,000 individuals have been referred to private sector employers. Employers are clearly utilizing the system and, through it, registrants are achieving visibility. No placement statistics are maintained for private sector employers. There have been around 1,500 requests from Federal agencies; about 350 registrants have been placed in Federal agencies.

Army civilians located at bases where Army Career and Alumni Program (ACAP) offices exist are eligible to use those programs, which provide individualized transition plans and outplacement services. Some of the services include job search skills training, individual counseling, and

workshops and seminars for military and civilian Army employees and their spouses. At this time, only about 5% of the participants in ACAP are civilians.

OPM PLACEMENT ASSISTANCE PROGRAMS

The Interagency Placement Assistance Program (IPAP), operated by OPM, provides placement assistance to employees faced with possible RIF separations. Federal civilian employees whose positions are likely to be surplus are eligible for registration in the program. OPM regional offices maintain IPAP listings for agencies within their region. When agencies fill positions through OPM registers, the IPAP registrant is referred ahead of other candidates on the register. IPAP candidates must be given full consideration; if not selected, the agency documents the reasons for non-selection. However, it is not necessary to obtain OPM approval for the non-selection. The Agency also has the option of filling the position through some other means (e.g., merit promotion or transfer of a current government employee) or of cancelling the position.

The Displaced Employee Program (DEP), also operated by OPM, provides placement assistance to federal civilian employees who have received a specific reduction-in-force notice of separation or who have been separated through RIF. Like the IPAP, OPM regional offices maintain DEP listings for agencies within their region. When agencies fill positions through OPM registers, the DEP candidate is referred ahead of other candidates on the register. Unlike the IPAP, however, the agency *must* make a job offer to a qualified DEP registrant before considering other candidates from OPM registers. OPM must approve any exception to this policy. Nonetheless, agencies are not required to fill a position by using OPM registers and may fill it through other means such as merit promotion or transfer of a current government employee. Agencies also have the option of cancelling the position.

The IPAP and DEP have a limited record of success. On average, there were 370 IPAP registrants in 1991, and 6 were placed (approximately 2%). In 1992, 13 of 368 IPAP registrants were placed, or 3.5 %. Because an agency does not need to obtain approval to reject a referred candidate, and may fill a vacancy through other means, effectiveness of the program is unlikely to improve significantly. The DEP also has a limited record of success. Of an average of 551 registrants in 1990, the DEP placed only 25 (4.5%). Of an average of 1,078 registrants in 1991, 52 were placed (about 5%). In 1992, 45 registrants were placed out of an average of 2270 (2%). Contributing to the low placement rates of both programs is the fact

that candidates often either fail to reply to or decline job offers, and are sometimes qualified only for very unique, limited positions for which referral is rare.

OPM plans to make enhancements to these two programs in mid-1993 when they expect to merge them. For example, they will require agencies to obtain OPM approval before rejecting any referred candidate. Nonetheless, agencies will still retain the flexibility to use other hiring procedures. Only when they wish to hire from outside the Government (e.g., someone with no Federal tenure) must they go to OPM for a referral list. Given that most recruiting is done from within the current Federal workforce, it is unlikely that the new, merged program will be much more effective in placing discharged employees.

TRANSITION ASSISTANCE PROGRAM

In July 1992, President Bush directed that the Transition Assistance Program (TAP) seminars sponsored by the Department of Labor for separating military personnel also be made available to separating DoD civilian employees. TAP seminars, currently available to separating military personnel, are 3-day workshops that teach skills in job search, resume writing, interviewing, etc. However, several barriers have prevented full implementation of the President's order. For example, the state employees who conduct most of the TAP seminars are authorized by law to serve only veterans. As a result of these barriers, the Department of Labor requires new legislation or new sources of funds in order to hire contract facilitators, not subject to the same restrictions, to conduct seminars for separating DoD civilian employees.

SUMMARY

In comparing the programs described above, the PPP has placed between 24-66% of Priority 1 candidates per year, compared with 2% for IPAP, around 4-5% for the DEP, and 2% for DORS placements to federal agencies. Thus, the PPP is apparently the most effective program for assisting civilian employees being dislocated due to RIF.

The OPM programs-IPAP and DEP-would be unable to place a significant number of separated employees under current rules which allow agencies to fill jobs through other means or to cancel job vacancies. Although, through the years, a Government-wide PPP type program has been discussed, it has never gained sufficient support to enact, for a

number of reasons. In 1984 testimony before the House Committee on Post Office and Civil Service, the GAO reported opposition to such a program because of the restricted flexibilities, the adverse effect of reduced promotion opportunities for agency personnel, and the belief by OPM that such a program would not substantially increase the number of placements.

In December 1991, OPM proposed that they be given authority to establish special placement provisions and to limit external hiring in geographic areas where severe job losses were occurring and where other Federal employment opportunities existed. Although that proposal was withdrawn, OPM officials state they may consider reproposing it in the future.

Because the DORS program (for private sector placements) and the TBB do not maintain statistics of placements made as a result of their programs, it is difficult to judge effectiveness of these programs. Even though the programs are "referral" and not placement programs, the final objective for such programs is to generate activity that results in a job offer. Identifying the goal of these programs and maintaining appropriate placement statistics are important in evaluating the programs and making judgments about future funding levels. As an example, the goal of the TBB might be to "provide an up-to-date, substantial data base of job listings which will facilitate the job search for all levels of DoD separatees and lead to offers of employment." Measures of effectiveness might include (1) the number of participating employers, (2) the number of job listings, (3) the percentages of types of jobs (i.e., professional, technical, administrative, blue collar, clerical, etc.), (4) range of salaries offered, (5) geographical dispersion of jobs listed, and (6) number of job offers/job placements made as a result of TBB ads.

A number of automated job or resume banks such as the TBB, DORS, the ACAP system, and commercial systems are being utilized in various parts of the DoD. Not all of these systems, however, are currently available to all DoD employees. Some civilian personnel offices do not have available computer hardware to devote to TBB/DORS, the various commercial systems are limited to those bases that have contracted for them, and the ACAP system is available only for Army employees. Expansion of services to ensure all civilians receive the same level of support might be achieved through integration of these systems or through the use of commercial systems, which also ensure continuous updating of data bases.

CONCLUSION

The way an organization manages the termination process influences the way it is viewed not only by current employees but by future ones. Organizations that provide support and transition services to displaced employees, in addition to monetary separation incentives, establish that they are not just trying to "buy people off" but are concerned about their future. DoD has provided many effective transition programs to its employees; gaps which currently exist in civilian outplacement services should be reviewed and filled.

ENDNOTES FOR ANNEX K

1. Actual numbers are used for 1991 and 1992 employment levels. Projected numbers are used for 1993 through 1997 levels, and therefore, they are subject to change. Unless otherwise noted, all years in this Annex are fiscal years.
2. This Annex defines civilian separations as the number of individuals who worked for DoD on the first day of the fiscal year, but not on the last. Workers who entered and left DoD employment after the first day of the fiscal year are not included in the estimate of separations under this definition.

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